



## 6537.0 - Government Benefits, Taxes and Household Income, Australia, 2003-04

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### MEDIA RELEASE

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#### Low income households gain most from government benefits and taxes:ABS

Australia's low income households\* received more cash benefits from the government than higher income households, while indirect benefits (provided in kind) were more evenly distributed, according to an Australian Bureau of Statistics (ABS) study released today.

During 2003-04, more than a quarter (27%) of government benefits went to people in the 20% of households in the low income group. These people received over a third (36%) of government benefits in cash, and 22% of benefits in kind through government services.

In comparison, the 20% of households in the highest income group only received 4% of cash benefits and 16% of the benefits in kind.

People in the low income group paid 5% of all personal income taxes, and 17% of taxes on production such as the GST. People in the high income group paid 54% of personal income taxes and 26% of taxes on production.

The study also found that, on average:

- Households comprising couples under 35 without children paid \$534 per week in taxes and received \$109 per week in benefits.
- Couple households with dependent children paid \$519 per week in taxes, and received \$501 per week in benefits.
- Couples with one person aged 65 or over paid \$148 per week in taxes and received \$586 per week in benefits.
- Households in the ACT received the lowest benefits (\$318 per week) and paid the highest taxes (\$478).
- Households in Tasmania received the highest benefits (\$398) and paid the lowest taxes (\$278).

For more details, see *Government Benefits, Taxes and Household Income, Australia, 2003-04* (cat. no. 6537.0).

#### Media Note:

\* Low income households are those in the second and third income deciles, when all people are ranked in order of their equivalised final income. Income measures are adjusted to take account of the different size and composition of households.

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